

JUL 07 1994

June 29, 1994

Mr. William Caton
Secretary
Federal Communications Commission
1919 M Street N.W.
Washington, DC 20554

Dear Secretary Caton:

My letter is in response to the proposal entitled Billed Party Preference ("BPP"), CC Docket 92-77, now before the Federal Communications Commission.

I represent the views of Tele-Matic Corporation ("TMC") as Vice President of Sales and Marketing, and I respectfully submit my comments in response to the Notice of Proposed Rulemaking issued by the Federal Communications Commission that I feel will have a significant negative impact on the orderly operation of our nations jails and prisons.

Tele-Matic Corporation is a Company with headquarters in Englewood, Colorado, and is engaged in the design, assembly and management of specialized communication hardware and software systems. TMC provides its proprietary systems on a service fee per call ("transaction") basis to Regional Bell Operating Companies, other local exchange carriers, and major long distance carriers as well as to major foreign telecommunications companies and governmental entities.

The Company acts as an automated services subcontractor to the telecommunication provider. Tele-Matic Corporation has established contractual and strategic relationships with American Telephone and Telegraph ("AT&T"), and several of the Regional Bell Operating Companies ("RBOCs"), including Bell Atlantic, U S West, Southwestern Bell and NYNEX.

Systems in the Company's current domestic product line address the communications control needs of the fast growing correction facilities market. I will limit my comments to the negative impact that BPP, as proposed, will have on inmate phone systems in a correctional setting.

Tele-Matic's most established relationship is with AT&T. The Tele-Matic Inmate Phone System is AT&T's "Vendor of Choice" for inmate calling control systems. We are the largest manufacturer and operator of automated inmate calling systems in the United States.

The Tele-Matic Inmate Telephone System was developed to correct the problem of telephone abuse plaguing most correctional administrators. The nation's media made public the fact that criminal activities were being perpetrated by inmates confined to federal, state and local prisons and jails by using the facilities telephones.

No. of Copies rec'd
List ABCDE

Orig.

The criminal activities involved network fraud, credit card fraud; harassment of judges, witnesses, government officials, drug dealing, and last but certainly not least, telephone operators.

Administrators were seeking relief from the problem. They could have ended this criminal activity, and thus the negative publicity, by simply limiting the inmates use of the telephone, the exceptions being in the case of emergency situations, or to gain access to their legal advisors. But the administrators recognized the value that telephone access had on the orderly day-to-day operation of their facilities.

It has long been recognized that the inmates ability to communicate by telephone with family, friends and loved ones is a valuable administrative tool in easing inmates tensions, and therefore helping prevent disruptive behavior. This is especially true at a time when jails and prisons are so overcrowded that they are subject to disturbances.

However, administrators also realized that there are inmates that will abuse their telephone privilege by using the phone to perpetrate crimes, and therefore controls are needed.

In response to demands for a means to control inmate telephone calls, Tele-Matic engineers designed a system to allow the local exchange carrier, long distance carrier, and prison administrative personnel, the means to control calling by offering fraud protection, and the capability to gather and report on calling activities for billing and administrative purposes. Features include three-way call detection and prevention, inmate Personal Identification Numbers ("PINs"), automated operators, automated calling party identification, answer detection and supervision, number blocking, approved number lists, free numbers, instructional voice prompts, and automatic call timing.

The Tele-Matic system is now being used by over 200 of our nations jails and prisons, this includes over 10,000 telephones, serving in excess of 150,000 inmates. Administrators that have this system in place in their institutions, give testimony to the extent the system has contributed to a more passive inmate population, and thus the orderly operation of the facility.

With the inception of Billed Party Preference, the safeguards offered by the Tele-Matic and other telephone systems, will no longer be possible. All jails require different levels on control, from limited (e.g., auto operator) to total control (i.e., PINs, called lists, call timing and three way call detection) which will be impossible to accommodate in a billed party preference scenario.

It is unlikely that federal, state, and local officials that control operational budgets will be willing to incur the added expense of subsidizing security features on jail or prison phones. Historically, correctional facilities have been the last in the long line of government operations to receive top priority when it comes to delving out tax dollars for operations. Those that will suffer most will be our jails and prisons who without adequate funding will not be able to continue with security measures that prevent the criminal activities perpetrated over telephone lines.

The really big loser in this billed party scenario will be the many rehabilitation programs conducted in jails and prisons. Without commissions from the telephone providers there will be no operating capital to subsidize the programs.

The trend in corrections today is towards rehabilitating inmates and not just warehousing them. This philosophy is producing results. Unfortunately, though many elected officials realize the long range benefits from such a philosophy, they are reluctant for political reasons to provide operating capital to carry out the programs necessary to accomplish this end. They would rather spend tax dollars on new schools, road construction, or provide other programs more inviting to the voting public.

In most jurisdictions, revenues generated from the inmate telephone service is paid into the jail or prison Inmate Welfare Fund. The proceeds from this fund must be spent on programs that directly benefit the inmates confined to the facility. To elected officials this has proven to be an acceptable way of funding programs that benefit the inmates. (Drug and alcohol rehabilitation, GED or other educational programs, jail industries, etc.)

Organizations concerned with the welfare of inmates sometimes lose sight of the fact that programs exist in jails and prisons because of revenues generated through use of the telephone. If their argument is that the Inmate Welfare Fund is subsidized by charging excessive costs to the recipient of calls from inmates, then they should insist that the Commission set rates for the providers of inmate phones that is no higher than the dominant carrier rates for the type of calls. Price gouging is a concern of many jail and prison administrators, and many make this cost a specification in their request for proposal for inmate calling service. But to take away the only available resource for providing rehabilitating programs to inmates would be a grave injustice to the law abiding citizens that live in our communities.

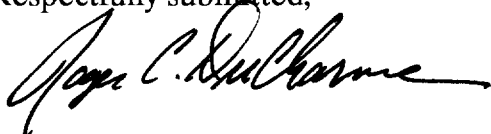
In summary, if the Commission chooses to include jails and prisons as part of the billed party preference rule, it will deter the continuance of meaningful rehabilitating programs that allow inmates to return to their community as productive citizens.

Without the ability to control inmate calling, some inmates will once again have the opportunity to prey on the law abiding public, and their criminal acts will go undetected.

Before a ruling is rendered in this matter, the Commission should first consider taking testimony from professionals in the field of corrections to better understand how billed party preference will impact on the operation of their jail or prison.

Accordingly for the foregoing reasons, I respectfully urge the Commission not to include controlled access phone service in prisons and jails in the Billed Party Preference Ruling.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Roger C. DuCharme", written in a cursive style.

Roger C. DuCharme
Vice President
Sales and Marketing